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Fresno, California

June 21, 2006

The City Council met in adjourned session at the hour of 9:02 a.m. in the Council Chambers, City Hall, on the day above written, for continued consideration of the FY 2007 City of Fresno Budget.

Present were Council members Boyajian, Calhoun, Dages, Perea, Sterling, Westerlund and President Duncan, City Manager Souza, Assistant City Manager Ruiz, City Attorney Sanchez, City Clerk Klisch, Assistant City Clerk Salazar, Budget Manager Smith, and necessary staff.

(9:00 A.M.) CONTINUED HEARING ON THE FY 2007 CITY OF FRESNO BUDGET

President Duncan noted discussion ensued yesterday on a \$7.5 million surplus the City had in its budget and clarified his comments/criticism/concerns were not directed at staff but at the decision-makers and the Administration who chose to take an opportunity of \$7.5 million of excess income and slide it into next year's budget without giving Council a chance to weigh in on the use of those funds, particularly with all the urgent projects.

MOTION - Boyajian/Calhoun - Defund the \$100,000 City Steward Program.

Brief discussion ensued on the budget process hereafter and allowing additional public input.

Councilmember Westerlund noted the University of California was starting to look at locations for their next medical school and he felt the City needed to put its best foot forward, and stated he did not want to see the same mistake made when the City lost UC Merced and further elaborated.

MOTION - Westerlund/Boyajian - Set aside \$100,000 to work specifically on getting the UC Merced medical school to locate in Fresno.

Councilmember Boyajian stated he was on the UC task force for about one year and stressed someone needed to replace him as this was the number one economic issue for the city of Fresno.

FIRE DEPARTMENT:

Chief Bruegman introduced key staff in attendance and gave an in-depth PowerPoint presentation on his department's budget which included a mission statement/core values, FY 2006 accomplishments, FY 2007 KRA, FY 2007 key initiatives, and a summary of key budget points.

John Mitchell, 439 N. Chestnut, spoke to the need to make four firefighters per engine and 2in/2out a top priority.

Chief Bruegman and Assistant City Manager Ruiz responded to questions and comments of Acting President Perea relative to whether the 11.5% increase would change service levels, concern with the increase being for support services and not for front lines, what the cost would be to get to 4 firefighters (FF) per truck, need for a comprehensive plan to get to 4 FF, and timeline for staff to report back with a plan.

DIRECTION - Perea: Direct staff to (1) return with a comprehensive plan to get to four firefighters per truck along with funding options, and (2) schedule the report for the first meeting in September (September 19th).

Acting President Perea encouraged staff to look at the \$7+ million surplus stating that was a great source for equipment needs, with President Duncan speaking further to the surplus issue. Acting President Perea continued and presented questions relative to apparatus/equipment needs, how the department was doing overall, if the department was better off equipment-wise compared to a few years ago (**2 - 0**), and the proposed training facility including what the need was, projected cost, timeline, location, and if UGM fees were a possible funding source for the facility, with Chief Bruegman and Mr. Ruiz responding throughout.

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Councilmember Calhoun presented questions and comments relative to replacement of older rigs, capital projects schedule, the department's ability to keep up with growth, the fire dispatch contract with Fresno County, if dispatch positions authorized in 2006 have been filled, if the positions were currently funded, why the positions were included in the budget if there was no need for them yet, the North Central contract, disasters/homeland security and process for informing the public, concern with the number of Public Information Officers (PIOs) city-wide, and need to coordinate PIOs and public safety information, with Chief Bruegman and Budget Manager Smith responding throughout and clarifying issues.

DIRECTION - Calhoun: Direct the Fire and Police Departments to consider and return with a plan for consolidating PIOs into an Office of Public Safety.

Ms. Smith, Chief Bruegman and Fire Bureau Chief Aranaz responded to questions and comments of Councilmember Dages and clarified issues relative to facilities capital funding source, where UGM revenues go, the \$2.756 million for Charges for Services, request for a breakdown on those charges, funding for Fire Station 15 public art, Professional Services and Consulting/Non-Consulting costs, and surpluses and growth of the mid year \$2.5 million of unallocated funds. Councilmember Dages thanked the department for all their work and their involvement in the community.

Discussion continued Ms. Smith and Chief Bruegman responding to questions and comments of Councilmembers Westerlund and Boyajian relative to the department's vision in working with outside agencies, fire suppression/emergency response and qualified staff, multi-family (apartment) inspections and need to make that a priority due to safety, inspection violations and impact on losses per capita, if response to Tarpey Village has been looked at/considered for a more regional approach and desire to place that matter on an upcoming agenda, the future challenge of 4 FFs per truck and if there were any statistics (volume/types of calls per area) to support that **(3 - 0)**, if CFDs for fire prevention/response has been explored, fire station construction costs, impact fees, funding for the public safety joint dispatch center, event fees, the Emergency Response Business Plan, if fireworks permit fees will increase, response times, if the department felt a grant writer would be helpful, grant match funds for 4 FFs per engine, building retrofits/conversions, if inspections have been a priority, thank you extended for flexibility with inspections, reason for increase in overtime costs, intergovernmental revenue, charges for services/programs, if there have been any recruitment/retention issues, and the department having the highest morale city-wide and commendation to the department.

Councilmember Sterling commented and presented questions at length relative to the reserve, carry over funds, request for information on what is available in the reserve, if the \$7.5 million reserve was misunderstood by Council, the injured workers program and exit strategy, what the most common injuries were, if a prevention plan was in place, fire apparatus, status of the two new fire stations, inspections for slum complexes/areas in District 3 and what the inspection plan was, desire to meet with staff on district needs/issues, concern with 9-1-1 busy signals and transferring of calls, location of the repair & maintenance facility, the increase in Battalion Chiefs, the addition of Captains, role of EMS operators, dispatch cooperation/consolidation with Fresno County **(4 - 0)**, grants including hiring/maintaining staff and sunseting, if there was a need to start looking at grants to incorporate into the general fund, and the Mayor's 10X10 housing plan and request to be involved along with departments, with Mr. Souza, Ms. Smith, Councilmember Dages and Chief Bruegman clarifying issues and responding throughout.

* Fire Department proceedings were interrupted at this point to allow Regional Jobs Initiative (RJI) members to speak who were in the audience after attending an earlier meeting.

APPEARANCE BY RJI MEMBERS

Speaking to RJI items related to the upcoming General City Purpose budget were: Ashley Swearingen who spoke to the RJI strategy; Bill Smittcamp who spoke to the Food Processing Cluster; Ray Dunn, Chair of the Manufacturing Cluster; Doug Whipple, Co-Chair of the Construction Cluster; Ian Duffield, Manager of Software Development, Software Cluster; and Orange Cove Mayor Victor Lopez, representing the Council of Fresno County Governments (COG). Members were thanked for their comments and there was no further discussion.

Fire Department - Continued:

Chief Bruegman and Mr. Souza responded to questions of President Duncan relative to number of firefighters added in FY 2006, if any were proposed for FY 2007, what the originally requested 16 firefighters would have been doing, the 12 EMS positions authorized last year and if they were a bargaining leverage with the County, why those 12 positions were still in the budget, where the County dispatch center was located, if the location presented any problems in servicing city taxpayers, commendation on Fire Station 17, the recent San Joaquin River training exercise and problem encountered with equipment, concern with the equipment, and if staff could get an estimate by tomorrow on the cost for new equipment.

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MOTION - Duncan/Westerlund - Allocate funds to purchase a new Zodiac boat, trailer and 4-wheel drive truck.

Chief Bruegman responded to additional questions of President Duncan relative to what the department's general fund percentage was last year and what it was this year. President Duncan spoke to where the department was back in 2000 and to how it has moved forward but was still so far behind, and stated although moving to 4 FFs per truck would have a significant improvement in response to the public he felt a strategy to get there was needed first and explained, and thanked Chief Bruegman for his leadership.

There was no further discussion on the Fire Department budget.

LUNCH RECESS - 12:12 P.M. - 2:01 P.M.

Councilmember Dages advised Dr. Timothy Stern from Fresno State submitted a plan to him entitled the "\$250K Business Plan" whose purpose was to try to market and attract companies here and the winner of the competition receiving \$250,000, and further advised \$50,000 had already been raised from the private sector and \$100,000 was needed for marketing.

MOTION - Dages/Perea - Allocate \$100,000 to the "\$250K Business Plan - Entrepreneurial USA Competition", **and later adding the \$100,000 would be contingent upon the private sector contributing an equal amount.

Dr. Timothy Stern spoke further to the program, stated the \$100,000 being requested would go strictly to market the city of Fresno, and clarified he would not expect the City to participate at \$100,000 without the private sector matching those funds. After the following comments and motion, Dr. Stern responded to questions of Councilmember Sterling on the program.

(5 - 0) Upon question of Councilmember Calhoun, Councilmember Dages confirmed the motion was contingent upon the private sector contributing an equal amount and **added that provision to his motion stating he neglected to mention that.

MOTION - Westerlund/Duncan - No additional video policing cameras to be set up, implemented, and/or turned on without prior submission and adoption by Council of a publicly published policy.

Dr. Stern responded to questions of Councilmember Sterling relative to whether his group would be working with the city's Economic Development Department, if this was an independent program, what the funds and match funds would be used for, who would be responsible for the program, and if the group would work with Councilmember Dages so he can keep Council informed.

WITHDRAWAL OF MOTION #34 - Duncan - Place video policing funds into contingency until a comprehensive policy manual is developed.

WITHDRAWAL OF MOTION #35 - Duncan - Place funding for the Mayor's Task Force in contingency pending a program strategy.

GENERAL CITY PURPOSE:

Budget Manager Smith advised this department was home for divisions and projects that did not fit in or were not under the umbrella of a particular department, and gave an overview of the budgets for the Redevelopment Agency employee pass-through and overhead charges and the Intergovernmental Division, and Retirement Administrator McDivitt gave an overview of the Retirement Division's budget.

Mr. McDivitt, Ms. Smith, City Manager Souza and Al Bowen of Operation Clean Air (OCA) responded to questions and/or comments of Councilmembers Calhoun, Westerlund, President Duncan and Councilmember Sterling relative to how the new retirement offices were working out, if the building was a good investment, if ADA problems were resolved, OCA and what the \$100,000 will be used for, election costs/cost for a general election, if the City would be sharing election costs due to Measure "C", the MBIA program, OCA funding breakdown, what OCAs budget was in FY 06, the retirement systems including talks about the need for a Charter amendment, providing a 401K-type plan, and if studies have been done to determine if the systems were headed down the road to bankruptcy, lack of authorized OCA position(s), if OCA was a private non-profit agency, Membership & Dues costs, and the Sister City program. Mr. Souza and Mr. McDivitt spoke to and clarified the retirement surplus was partly due to the fact that Fresno did not go out as other cities did and increase benefit levels during that period of time of surplus.

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Upon question of Mr. Souza, it was determined the Convention Center's budget could be discussed this date as the duly published general budget hearing notice did not list each department separately and also because this was a re-occurring/annual process.

MAYOR'S OFFICE:

Chief of Staff White advised the Mayor was out of town attending a funeral and gave an overview of FY 2006 accomplishments and a summary and highlights of the FY 2007's budget.

Councilmember Calhoun thanked the Mayor for funding a second Council assistant position and commended the Mayor's office on their great accomplishments and added he was proud of the initiatives Mayor Autry has taken.

Ms. White responded to questions and comments of Councilmember Boyajian relative to funds given to the Tower District for murals **(6 - 0)** and concern that he was not contacted or involved, need for Council members to be informed of such issues so confirmations can be made with district committees, the Mayor's interaction with committees and concern with remarks made, funding source for the murals, and salaries of the Deputy Mayor and Chief of Staff. Councilmember Sterling stated she concurred with Councilmember Boyajian's concern with funds given to the TD without informing the district representatives and spoke further to the need to include/invite Council members to participate, and presented questions and comments relative to the Mayor's Presidential appointment to the historic committee and it being a possible tool in developing the Forest City project, reason for decrease in Travel & Conference, desire to have the Mayor make a presentation at the ICSC in Las Vegas next year, and the new Council Assistant position including role, salary and benefits, wit Ms. White responding.

Councilmember Westerlund extended his condolences to the Mayor on his loss and thanked Mayor Autry for all the work he has done beyond the scope of Fresno and the Central Valley.

Acting President Perea spoke to the Tower District murals stating they looked good and the artists were great and stated he wanted to work with the Mayor's office on funding to support additional murals.

President Duncan complimented Mayor Autry and staff for their leadership, work and contributions in terms of how far Fresno has developed.

MOTION - Sterling/Perea - Adopt the Mayor's Office budget as submitted.

CONVENTION CENTER:

SMG General Manager Overfelt gave an overview of the Convention Center's budget stating it complied with the terms of the SMG management agreement, it reflected the benchmarks in terms of revenues expected to be produced as well as expenses to be incurred, advised 636 events have been budgeted for, and spoke to line items for Special Projects, the Convention & Visitor's Bureau (CVB), and the Sports Council and elaborated further on the Sports Council and bookings.

Mr. Overfelt and City Manager Souza responded to questions and comments of Councilmembers Boyajian relative to loss of the roller skating competition and the CIF Cross County Championship and hope that the Sports Council will look at those matters in perspective, the booking of events being a main issue when SMG was hired, why top acts can not be booked and need to request funds if that is the reason, issues/concerns expressed by other groups using the facilities (i.e., Sun Maid Raisin Group and nurses group), if any lawsuits have been filed since SMG took over operation, if money was provided by the City to SMG when they took over operations, the numerous City events/meetings held at the facilities and if those events are included in Poll Star statistics, catering, **(7 - 0)** fire alarm system improvements, the \$34,400 in carry over funds, if \$400,000 was transferred to SMG's account when they got the contract, and if SMG had any outstanding balances.

Discussion continued with Mr. Overfelt, Mr. Souza and Wayne Bennett of the CVB responding to questions and comments of

Councilmembers Sterling, Westerlund and President Duncan relative to the good job SMG is doing, the problems they encountered when they took over operations, what events are covered under Special Events, district offices subsidizing some events, the contractual obligation to book 17 events at the stadium, if the City paid SMG a management fee the first year, if a vendor (International Decor) was allowed to use/take facility equipment off site, if SMG has damaged any property, the chiller and chandelier issues, audio visual equipment, if equipment is rented out for

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acts, what Mr. Overfelt's position was on the Art, Park, Sports & Entertainment surcharge, if the charge will impact ticket sales, if there were any revenue projections on the surcharge, number of tickets that will be affected, if other venues have surcharges, if the CVB is part of this budget, funding for tourism, reason for decline in CVB membership, budget amount requested, failure of audio equipment at an event, funding stadium events, and success of the car show and if another show would be held next year. Mr. Souza further clarified the subject tourism dollars were not related to the RJI money discussed earlier. There was no further discussion on the Convention Center budget.

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APPEARANCE BY SUPERVISOR LARSEN REGARDING THE ELKHORN BOOT CAMP

President Duncan noted Supervisor Larsen was present and wished to address Council on an issue, and, in addition, recognized Maj. Michael Elliot who just returned from Iraq and welcomed him home and thanked him for his service to the country.

Phil Larsen, Chairman of the Fresno County Board of Supervisors, extended his condolences to Mayor Autry on his loss, and spoke to City/County partnerships, encouraged the City's partnership with the Elkhorn Boot Camp be continued, spoke to the boot camp's success, and requested the City continue it's financial contribution and investment in youth.

Extensive discussion ensued with Mr. Larsen, Chief Probation Officer Penner, City Manager Souza and Elkhorn Correctional Facility Director Elliott clarifying issues and/or responding to comments and questions of Councilmember Westerlund, Acting President Perea, Councilmembers Boyajian and Sterling, and President Duncan relative to the City's \$1 million contribution being part of a legal settlement and the City no longer having that obligation, the budget motion being made so Council could have a policy discussion, if Ms. Penner requested the Mayor include the \$1 million in the budget (**8 - 0**), what the funds would cover, disappointment with FPOA sending a letter requesting Council not provide funding, Mr. Souza clarifying no one from the County ever contacted him about including funds in the budget/there being no documentation/and the Mayor not "deleting" the funding, number of youth that would be served without the City's contribution, if services would be reduced, the success of the program and the contribution not seen as an "obligation", number of youth who have been through the program, number of gang members who have been through the program, what the success rate was with gang members, if program participants are designated city or county residents, the new juvenile hall facility and how the lack of City funds would affect that, if the City could fund the boot camp for one more year without city services being impacted, request for information on a possible source for the \$1 million and what could potentially be impacted, if the \$1 million was tied to the police training facility and other programs, and if there was any follow-up on how the program teaches alternatives to gang life. President Duncan stated he was stunned to see funding not included in the budget for the boot camp and then seeing funding for a gang task force which he stated sounded like a boot camp, stressed the boot camp worked, 16% of their funding was going away, these were city youth being affected, and he was flabbergasted, and stated he felt the partnership was worth it and he hoped Councilmember Westerlund's motion would pass adding if it does he hoped the Administration would take a serious look at trying to find a solution to the problem rather than making a point.

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CITY MANAGER'S OFFICE:

Management Analyst Zieba gave a PowerPoint presentation and overview of the budget's main funding components and elaborated on the One Call Center, the City Scholarship Program, and the Film Commissioner.

Jaime Holt, 847 E. Yale, spoke further to, and in support of, the film commissioner and piggybacking it with a local entertainment director/coordinator.

Councilmember Calhoun advised the Mayor was very receptive of adding "Entertainment Coordinator" to the Film Commissioner (**9 - 0**) and clarified what was before Council was a Film Commissioner/Entertainment Coordinator and elaborated on the issue; spoke to the City Scholarship Program, the proposal Council previously supported to work with the Higher Education Consortium, his

disappointment that the requested \$85,000 to assist with the consortium was not included in the budget, and to his motion to allocate the \$85,000; and stated he did not believe the City should be in the scholarship business and felt that should be left to the experts.

MOTION - Calhoun/Boyajian - Defund the City Scholarship Program.

Ms. Zieba responded to questions of Councilmember Sterling relative to the One Call Center and if it was a duplication of effort with Council offices and other departments, Travel & Conferences expenses, and the Film Commissioner and her feeling that the program should be in the Economic Development Department to best promote Fresno rather than the City Manager's Office.

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MOTION - Sterling/Boyajian - Transfer the Film Commissioner program, funding and position to the Economic Development Department.

Councilmember Dages stated the Call Center has done very well, relative to the film commissioner stated he wasn't supportive of one originally but stated times were different now, added the Governor's appointment of the Mayor to the State Film Commission was very appropriate and he felt he the Mayor had to be supported at this point, and stated he preferred that the film commissioner stay with the City Manager's office, spoke to the need for the city needed to be proactive in going after legitimate films, and stated he felt it needed additional funding.

Relative to Councilmember Calhoun's comments, City Manager Souza stated there was disagreement on the use of the scholarship funds, staff respected that, and he looked forward to continuing to work through the process.

President Duncan stated he supported the film commissioner originally due to the Mayor's background, and stated he did not want to go through what happened before with the County and he felt the film commissioner would have to work in conjunction with the County, with Mr. Souza advising discussions have been held with them and explained. There was no further discussion on the department's budget.

DINNER BREAK - 5:40 P.M. - 6:15 P.M.

CITY COUNCIL:

President Duncan stated the budget was clear and was the same as last year's with a slight increase.

Councilmember Calhoun spoke to, and expressed concern with, the fixed charges for the One Call Center, questioned how services were being charged and what the reasons were for the disparity, and advised of the different charges for each council district and stated it seemed that there would be a consistent rate for all seven districts and further elaborated, with Budget Manager Smith responding and clarifying issues. Councilmember Calhoun stated the "formula" made no sense to him and Council offices were all in the same game together.

A motion of Councilmember Calhoun that a consistent charge-back system for all council districts be established died for lack of a second. Councilmember Calhoun stated he wanted to withdraw from the Call Center system and defund his office's \$800.00, stated he did not care how calls were tracked and reiterated the Call Center was something everyone benefitted from and everyone needed to play by the same rules, and gave notice to staff that unless this changed he would do everything possible to withdraw District 2 from the One Call Center, with Ms. Smith and City Attorney Sanchez responding throughout. There was further discussion and a motion made at the conclusion of the department's budget.

Councilmember Boyajian advised next week he would be bringing forth an item increase Council's salaries and he wanted to set aside that increase in the budget. President Duncan clarified if a salary increase is made and approved this year Council Districts 1, 3, 5 and 7 would receive the increase effective January 2007.

MOTION - Boyajian/Sterling - Allocate \$40,000 for City Council salary increases. (at the conclusion of the meeting and upon question of Councilmember Calhoun, Councilmember Boyajian clarified the Mayor was included.)

Upon question of Councilmember Calhoun, Mr. Sanchez clarified members voting on an increase would not be eligible to receive it until their term is up and a new term begins.

President Duncan stated Councilmember Calhoun made a good point on Call Center charges and upon his question Mr. Souza stated the total charge from all seven districts could be divided equally if that was Council's will.

MOTION - Calhoun/Duncan - Divide total Call Center charges from all Council districts equally among the seven districts.

Upon question of Councilmember Calhoun, Councilmember Boyajian clarified his motion for salary increases did not include the Mayor. There was no further discussion on the department's budget.

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CAPITAL PROJECTS:

President Duncan noted there was no presentation and a number of questions had already been asked throughout the budget hearings. Upon call, no one wished to be heard and there was no further discussion.

REDEVELOPMENT AGENCY:

Executive Director Murphey acknowledged key staff in attendance and gave an overview of the Agency's budget which included FY 2006 accomplishments, FY 2007 highlights, the Project Areas, and the Housing budget.

Speaking to housing issues and projects were: Daryl Tuckness, Acting Executive Director of the Fresno Housing Authority, support for the Hope VI project; Paul Werfelmann, Fresno Housing Alliance, need for safe/affordable housing (**10 - 0**); Tony Miranda, Fresno Housing Alliance; Dr. Jendian, Fresno Housing Alliance, the housing crisis; Sara Hedgpeth-Harris, League of Women Voters and Fresno Housing Alliance committee member, presented questions related to the Housing Element; Jose Luis Barraza, Fresno Housing Alliance and on behalf of the Housing Partnership for the Disabled, need for accessible and affordable housing; Pastor Steve Ratzlaff, Mennonite Community Church and member of Fresno Housing Alliance Steering Committee, need to address the housing crisis; Kathleen Paley, Fresno Housing Authority, need for additional financial support for the Hope VI project; and Ned Stacy, 563 W. Roberts, support for Hope VI project and need for financial assistance.

Chair Sterling thanked staff and everyone present, relative to housing comments and concerns expressed and as the Vice Chair of the Interagency Housing Task Force (IHTF) stated a lot was getting done and explained, spoke to the role of the task force, and encouraged anyone who was interested to attend IHTF meetings and get involved, and presented questions and/or comments relative to a letter of concern from the HCDC on housing funds, what the Agency was doing with housing funds, if any new projects were included in the budget, how the budget is prepared, how the working relationship was between the Agency and the City, staffing issues, the Internship Program, and projects that have created debt, with Ms. Murphey and City Manager Souza responding throughout. Chair Sterling again extended an invitation to those interested to participate in the IHTF to move the city's housing programs along.

Councilmember Dages left the meeting during questioning and was absent for the remainder of the meeting.

MOTION - Sterling/Boyajian - Adopt the Redevelopment Agency budget as submitted.

Hope VI representative Dirk Poeschel and Ms. Paley responded to questions and comments of Vice Chair Boyajian relative to Hope VI infrastructure needs, number of homes the project will provide upon completion, number of affordable homes that will be provided, if the developer was looking for infrastructure assistance, value of Hope VI at build-out, and what the purpose was of a housing trust fund/what it could do for the community. Vice Chair Boyajian elaborated on the issue of affordable housing and how to obtain it.

On motion of Chair Sterling, seconded by Vice Chair Boyajian, duly carried, RESOLVED, the Redevelopment Agency budget hereby adopted, by the following vote:

Ayes	:	Boyajian, Duncan, Perea, Westerlund, Sterling
Noes	:	Calhoun

Absent : Dages

REMOVAL OF DIRECTION NO. 33 - Calhoun - Re: title for the Mayor's Gang Task Force

REMOVAL OF DIRECTION NO. 34 - Calhoun - Re: Evaluation of existing education programs.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):

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Planning & Development MA Smith gave an overview of the CDBG, HOME Investment Partnerships, Emergency Shelter Grant (ESG), and the American Dream Down-payment Initiative (ADDI) programs.

Speaking to and/or requesting funding for various organizations/programs were: Stanley Tom, Valley Small Business Development Corp.; John Carbray, representing the Boys & Girls Clubs Board of Directors, West Fresno Boys Club project, who also submitted pictures of the project; Adrian Ramirez, Fresno County Workforce Investment Board, who also submitted written material; Katrina Edwards, Interim Project Director, EOC Sanctuary Youth Project; Don Lockhart, Executive Director, Central Community Development Center, who also submitted written material; Connie Clendenan, Valley Teen Ranch; Brian Conway, Catholic Charities; Pamela Kallsen, Marjaree Mason Center; Jackie Ryle, Care Fresno; Trudy Moxley, The Californian Hotel rehabilitation project; Irene Martinez, Acorn Housing; AJ Dhali, Acorn Housing/EITC Program; Sara Hedgpeth-Harris, who questioned the use of CDBG funds on items other than housing-related matters; Rev. Sharon Stanley, Executive Director and Founder of Fresno Interdenominational Refugee Ministries and member of the Fresno Housing Alliance; Connie Cha, Empowerment Institute; Russell Hoeltzer, Director, Valley Center for the Blind; Sandra King, Valley Center for the Blind **(12 - 0)**; George Brown, Executive Director, Construction Industry Crime Prevention Program; Jose Luis Barraza, 4243 E. Thomas, Fresno Housing Alliance; Dr. Matt Jendian, Assistant Professor of Sociology, CSUF, housing crisis; and Julie Xiong, Lao Family Community of Fresno.

Ms. Smith, City Manager Souza and City Attorney Sanchez responded to questions and comments of Councilmember Calhoun relative to whether agencies and programs are audited, need to provide audit information/feedback to Council, if the Fair Housing Council and Consumer Credit by Design are funded on a routine basis, need for Council to be informed on the job agencies are doing, and intent to defund three programs and if those freed-up funds could be reallocated to other organizations or if staff could make recommendations. Councilmember Calhoun stated justification for education programs was not there, he felt the City had gone far enough in the education business, and stated he had not received any documentation on whether the programs were working and he felt it was time to put a halt on them.

MOTION - Calhoun/Boyajian - Defund the additional \$25,000 for the Academic Game Plan with those funds to be reallocated as recommended by staff.

MOTION - Calhoun/Boyajian - Defund the \$50,000 for the new Pathways to Excellence program with those funds to be reallocated as recommended by staff.

MOTION - Calhoun/Boyajian - Defund the \$25,000 for Character Counts program with those funds to be reallocated as recommended by staff.

President Duncan stated he could support the defunding but it was going to be hard for him to support the second part, with Councilmember Calhoun stating he would think about that.

Councilmember Westerlund stated there were so many valid, worthwhile causes, he felt the recommendations made by the HCDC were outstanding, and presented questions relative to what the Low Income Assistance Grant Program for Code Compliance was and what happens if people do not comply, with Planning & Development Director Yovino responding.

Councilmember Westerlund advised \$350,00 of CDBG was allocated in FY 2006 for a Youth and Senior project but was not included for FY 2007 and made the following three motions on those funds:

MOTION - Westerlund/Duncan - Take \$25,000 of the \$350,000 and apply it to the Low Income Assistance Grant Program for Code Compliance for a total of allocation of \$75,000.

MOTION - Westerlund/Duncan - Set aside \$100,000 of the remaining \$325,000 for curb cuts in CDBG areas for ADA compliance.

MOTION - Westerlund/Duncan - Allocate the remaining \$225,000 for street repaving in CDBG areas.

Upon question of Councilmember Sterling, Housing Manager Sigala explained why private agencies were being funded with HOME funds. Councilmember Sterling spoke briefly to the Mayor's recommendations for CDBG funding and made a motion fund Projects 1, 2, 3, 5, 6, 7, 8, 9 and 13 as recommended by the HCDC, with Project #6 funded at \$42,250 and Project #8 at \$92,000 as recommended by the HCDC. Upon call, the motion died for lack of a second. Councilmember Sterling made another motion to fund Projects 14, 19, 21 and 23, and upon call the motion died for lack of a second, whereupon Councilmember Sterling noted these were CDBG monies, the recommendations were made by the Mayor and HCDC, and stated as usual she could not get a second for social service funding.

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Councilmember Boyajian noted the Fresno West Coalition has received \$575,000 under the HOME program so far and he had not seen any results, and also noted the By Design Consumer Credit organization provided the same services as Catholic Charities and the Housing Authority.

MOTION - Boyajian/Calhoun - Defund the By Design Consumer Credit organization.

MOTION - Boyajian/Calhoun - Defund the Fresno West Coalition.

Councilmember Boyajian made a motion to defund the police department in the amount of \$1.2 million and apply that money to affordable housing, and apply one-fourth of Code Enforcement's funding to affordable housing. Upon call, the motion died for lack of a second.

MOTION - Boyajian/Sterling - Eliminate the new impact fees placed on the Hope VI Project.

There was no further discussion on the CDBG budget.

Speaking to Motion #32 relative to video policing, Acting President Perea stated he wanted to make a new motion.

NEW MOTION #32 - Perea/Dages - Allocate \$800,000 to Video Policing with the remaining \$400,000 going to Police Department recruitment and retention, with additional language that police department and the City are prohibited from implementing the program until Council adopts implementation policies.

President Duncan officially closed the public budget hearing and the meeting was adjourned to Thursday, June 22, 2006, at 9:30 a.m.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 9:02 p.m. having arrived and hearing no objections, President Duncan declared the meeting adjourned to Thursday, June 22, 2006, at 9:30 a.m.

Approved on the ____ 18th ____ day of ____ July ____, 2006.

/s/

ATTEST:

/s/

Jerry Duncan, Council President

Yolanda Salazar, Assistant City Clerk

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